



FC/SE/2025-26/17

May 30, 2025

National Stock Exchange of India Limited

Exchange Plaza, C – 1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051

Symbol: FIRSTCRY

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 544226

Sub: Transcript of the Audio-Video Earnings Call | Q4 and Financial Year ended March 31, 2025 results

Ref: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and our earlier intimation dated May 21, 2025 bearing reference no. FC/SE/2025-26/09

Dear Sir/Ma’am,

In terms of Regulation 30 and Regulation 46 read with Para A of Part A of Schedule III of the Listing Regulations, please see enclosed herewith transcript of Earnings Call with the Analysts/Investors held on Monday, May 26, 2025 post announcement of Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2025.

The audio-video recording of the Earnings Call along with the Transcript has been uploaded on the Company’s website and the same can be accessed from the link provided below:
<https://www.firstcry.com/investor-relations/quarterly-results>.

We request you to kindly take the aforesaid information on record.

Thanking you,

Yours sincerely,

For Brainbees Solutions Limited

Neha Surana
Company Secretary & Compliance Officer
ICSI Membership No.: A35205

Encl: Transcript of the Audio-Video Earnings Call

Brainbees Solutions Limited

CIN: L51100PN2010PLC136340

Corporate/Registered Office:- Rajashree Business Park, Plot No. 114, Survey No. 338, Tadiwala Road, Nr. Sohrab Hall, Pune – 411001 **Contact:** +91-8482989157 **Email Id:** legal@firstcry.com **Website:** www.firstcry.com



“Brainbees Solutions Limited (FirstCry) - Earnings Call Q4 and FY25 Results”

May 26, 2025, 6.00 p.m. IST

Management:

Mr. Supam Maheshwari
Managing Director & CEO

Mr. Gautam Sharma
Group Chief Financial Officer

Mr. Vivek Goel
Chief Business Officer

Mr. Abhinav Sharma
Country Head, Middle East Business

Mr. Anish Arora
Investor Relations

Mr. Anish Arora

Good evening, everyone. Welcome to Brainbees Solutions Limited Q4 and Financial Year 2025 earnings call. This is Anish Arora, and I have with me, Mr. Supam Maheshwari, Managing Director and CEO of the Company, Mr. Gautam Sharma, Group Chief Financial Officer, Mr. Vivek Goel, Chief Business Officer of the Company, and Mr. Abhinav Sharma, Country Head of Middle East Business Operations.

Kindly note that this call is meant for analysts and investors of the Company. We wish to highlight that the call is being recorded and by participating in this event, you consent to such recording, distribution and publication. All participants have been muted as per the default mode and participants will be unmuted once we open the Q&A forum for the members to ask questions after the presentation from the management concludes.

We will be covering the presentation in the beginning of the call and we will there after open for the Q&A forum. We would like to point out that some of the statements made in today's call may be forward-looking in nature and the disclaimer to this effect has been included in the investor presentation shared with you.

With this, I request Mr. Supam Maheshwari to take it over.

Mr. Supam Maheshwari

Good evening, everyone. Thanks for joining our quarterly earnings presentation for Q4 as well as Fiscal Year ending March 31, 2025. Today, we have reserved one and a half hours, as we would like to take you through a little more detailed dive on our business, some more nuances that you have not seen in the past. We want to reiterate for some of the members who may have joined new. A baby's first cry is a special moment for parents, and at FirstCry, we aim to make this and all such moments of the parenting journey filled with joy and happiness. This is our mission that we continue to



maintain and do every activity towards accomplishing this mission.

Today, we will be covering the following agenda items. We will be covering our entire Fiscal Year 2024-25 financial performance, along with Q4, JFM. We'll also be covering our segments, four business segments: India Multi-Channel Business, which is our core business, International business, then Globalbees, and then Other segments. All four of these we'll be covering and then we'll also talk about our financial summary or consol performance of the Company.

Moving further, let's just deep dive into our entire Fiscal Year 2024-25 performance. For Fiscal Year 2025, we are happy to report a very strong growth momentum and improvement in profitability for the full year FY25 over FY24. As you can see, this is the consolidated performance. Revenue of the company, at a consol level, increased by 18% over FY24, becoming around INR 7,600 crores. Gross margin has continued to increase, with 159 bps year-on-year expansion to 23% absolute increase versus FY24. And adjusted EBITDA, adjusted for ESOP cost, has also increased 90 bps year-on-year expansion, with 43% absolute increase over FY24. And this, in percentage terms means to around 5.13% in FY25, over 4.2% in FY24. Also happy to report that overall cash profit after tax increased to INR 209 crores, which is 96% increase over last year. And super happy to report that India Multi-Channel business turned PAT, as well as Free cash flow positive in FY25. We remain very, very optimistic and the entire team will be working super hard to deliver both on growth and profitability expansion across all our business segments.

This is a new slide where we are disclosing gross margins for our different four segments, which earlier we used to report at a consol level. So, if you will see, all our four business segments have been continuing to increase for the entire

Fiscal Year, Revenue, as well as Gross Margin expansion and as well as Adjusted EBITDA. If you look at India multi-channel, revenue increased around 15% over last year, Gross margin improved 20% over last year with 149 bps improvement year-on-year, and Adjusted EBITDA about 24% increase over last year. International business, also had 14% increase in revenue from operations, gross margin improvement of 13%. We'll be talking about in detail about all four business segments, so you'll get a more detailed color of the year, as well as of the quarter. And close to 140 crores of adjusted EBITDA losses, which is similar to around FY24. Globalbees had a 30% improvement in revenue terms over last year, and gross margin improved 36% on absolute basis and witnessed 186 bps increase. And Adjusted EBITDA improved 856%, over last year, to INR 22 crores, with 121 bps improvement year-on-year. Others, which is primarily our preschool business, had another good year of performance with INR 42 crores of revenue with, expansion of gross margin and almost INR 10 crores of adjusted EBITDA, which leads to close to 24% of Adjusted EBITDA over last year of 17.5%. So all four business segments have done fairly well for the year.

For the Q4 performance, if you look at our annual unique transacting customers, which essentially includes our India Multi-Channel and International Business, improved 17%, for the trailing 12 months ending March'25 over March'24, improved by 17%. GMV, which accounts for India multi-channel and International, increased by 14% over last Q4 of FY24. Revenue from operations increased by 16%, which includes other business segments as well. Consolidated Adjusted EBITDA, improved for Q4 and witnessed 20% increase over Q4FY24, which represent almost close to 5.2%. And India Multi-channel adjusted EBITDA improved by 17% over Q4, which essentially was 9.3% over 8.9%. Cash profit witnessed a whopping increase of 484%, Q4 over Q4, to almost INR 69 crores, for the Q4.



With that, I would like, Vivek Goel to take you through our India multi-channel business, and I would like to state that in a lot of earlier calls, you had requests of certain more disclosures of some of our business, and performances of certain metrics. This time around, we are sharing a little more nuance around some of those disclosures which will help you to understand and appreciate our business in a little more detailed way. So I will, request Vivek to take you through. Some of the slides may be repetitive for some of you, because, our moats will remain the same, but since we have more disclosures, you will have a far more appreciation of the quality of the business that we are building. So Vivek, over to you.

Mr. Vivek Goel

Thank you, Supam. So, as Supam mentioned, in the next few slides, I'll take you through some of the important moats of the business, along with some additional information which will help you appreciate what we are building as a business.

So, as you already know, that we are the largest multi-channel retailer for mothers, babies, and kids products in India. Of a total GMV of India multi-channel business, 78% comes from online and 22% of this GMV comes from our offline stores. Happy to report that this year we crossed 10 million annual unique transacting customers. Also want to mention that, of our total modern stores, offline stores, almost 45% of our source are, BabyHug, or FirstCry company-owned stores. So, as a business, we bring in a very unique proposition as compared to any other retail format, which is, where we have both online and offline strengths. And, if you really see that our business, and Supam has mentioned in past few calls as well, that our business lends very beautifully for an omni-channel or multi-channel kind of a retail format. Because there are all kinds of customers who want to buy things with experience, as well as they want to buy it with convenience, so we serve both and over a period of time, if you really see our data, there are a lot of consumers who start purchasing



with us in an offline store and eventually become a very loyal online customer. At the same time, a lot of our consumers actually discover us online and they continue to purchase in the nearby offline store as well. So, a testimony of that, is that, of the total GMV we generated in the top 20 cities for us, almost 38% of GMV comes from these cross-channel customers, the customers who buy both in online as well as offline stores. Anish, if you can move to the next slide.

So, if I would say that, mother of a young baby is the busiest person in the world. And as a team in FirstCry, we really appreciate that fact, and we strive to make things easier for them, when they come and browse our apps. So one of the most important things we have done is, we have personalized our app, basis the age and gender of a child. So, for example, if you're a mom of a 6-month-old girl, you would see a completely different homepage as compared to a mom of a 10-year-old boy. So, for example, a mom of a 6-month-old girl would see products like musical toys or strollers being promoted on our homepage, whereas, a mother of a 10-year-old might see remote-controlled cars and school supplies kind of products, which are more relevant for them. On top of this, we also personalize our app on multiple other accesses, which would include consumer behavior, as well as regional nuances. For example, if I would give you a very recent example, monsoons are slowly progressing across the country. So, some of the states in South India might see our product selection as well as promotion selection more conducive to monsoons, whereas certain other regions, which are still reeling under the heat, would see a lot more summer-related product selection and promotion. So this curation and personalization really helps mothers, in terms of making the right choices for the babies, and easier for them. And we apply some of these learnings of personalization, also in our offline stores.



As a brand, we address the babies and kids' needs across age groups through a wide variety of assortment, which is almost, 1.8 million strong in terms of SKUs, which are offered across over 8,000 brands. So, a typical journey of our consumer, or the moms starts from the pregnancy, and continues till the time their oldest child is 12 years old, on FirstCry. When we started our business, at that time, our focus was more in, the age group of minus 9 months to three years, or till the time the child was 3 years. A few years back, we expanded our selection to cater to the needs of up to 6-year-old child. And subsequently, we expanded to it to the age group of 12 years. So, also want to mention that as a brand, and as a retailer, we are very fashion-focused. And that could be seen in terms of the ratio of fashion business in FirstCry. So of our total GMV of multi-channel India business, 52% of our GMV comes from Babies and Kids Fashion, which includes apparel and footwear categories. All the other categories which contribute to about 48% of our business, are powered by almost 300,000 strong inventory, SKU selection.

This slide we have added to give you a little more color in terms of stickiness and long-term cohorts of FirstCry customers. So, if I would try to attempt to explain it to you. So, in Fiscal Year 2013, in the acquisition year, if a consumer gave us a GMV of 1x, over a period of 12 years, we end up generating almost 7.9x GMV from the same consumer. And that was for Fiscal Year 2013. If you see this report vertically as well. So for example, till year 4 column, which is 5 years post acquisition, in Fiscal Year 2017, the number increased from 3.4x to 3.7x. And, for the consumers who were acquired in Fiscal Year 2021, this number, for the first 5 years of revenue increased to 4x. So, over a period of time, we can clearly see that the business has demonstrated increasing stickiness. And, as I mentioned, that the 6 to 12 months age group, that we have launched some time back is still to be completely baked into these long-term cohorts. So we expect



these numbers to further continue to improve over a period of time.

This is another very important moat, as a brand that we have built, which is the collection of highly curated home brand portfolios. We have built some of the most iconic brands in India when it comes to baby and kids products. Which some of them include BabyHug, Pinekids, CuteWalk, and BabyOye. So, over a period of time, what we have seen is our home brands have grown at a much faster rate, as compared to FirstCry GMV. So for example, in FY20, the GMV contribution of home brands to FirstCry GMV was 37%. In Fiscal Year 2025, the contribution crossed 55%. Couple of very important benefits and strengths that FirstCry Home Brand bring in, is first that, in our market which is highly fragmented, home brands bring in curated and high quality, much better quality as compared to the market, which helps in better consumer retention, as well as, the home brands at the second level also help us expand our gross margins. Amongst our home brands, you already know, that BabyHug is the largest mothers, babies, and kids product brand. We are the largest in terms of selection in Asia Pacific or assortment in Asia Pacific, if you exclude China. And we are also the largest multi-category mothers, babies, and kids product brand, in terms of GMV.

Over a period of our journey, we have built a lot of important marketing strategies for us, which have helped us in being very prudent with our marketing costs, or optimize our acquisitions, as well as increase the retention of our consumers. I'll discuss couple of them in the next few slides. One of them, is the most unique things that we have built from our strategies is that we have built is that we are one of the unique apps to have commerce and community in the same mobile application. So, we operate the India's largest and most engaged parenting community in our app, which is also called FirstCry parenting. FirstCry parenting has educational information, provides educational information to



the moms, which is both professional-generated content and also, user-generated content. We also provide very important tools which are required by the mothers during the parenting journey, like Immunization Schedule tracker, Growth tracker, Q&A, as well as content which is video as well as text. And a lot of this content is actually, personalized basis the child's age, so that the mother, again, as I mentioned earlier, doesn't have to waste their time in looking for the stuff they don't need. So, parenting actually helps us in consumer acquisitions on one end, as well as retention during the most important and formative years, of a consumer coming on our platform. The second and very important strategy that we have is the hospital gift box program. So this is a long-standing partnership with hospitals. Some of those partnerships go as back as 13 to 14 years. We have partnered with almost 13,000+ clinics and hospitals across the country, where we distribute almost 2.5 million boxes a year, at the time of baby birth. So, this is very important because the time of baby birth is one of the most emotional moment for all parents. And it is the perfect point of market entry for a brand like FirstCry. And just to give you a color about the scale that we operate this program at, so we cover almost about 10% of baby births in the country, through this program.

So, now I'll hand over to Gautam, to take us through the financial numbers for multi-channel business.

Mr. Gautam Sharma

Thanks, Vivek.

So, this slide talks about the growth in annual unique transacting customers, GMV, and orders. We continue to see a very healthy growth in our AUTC in March over last year, March, this is the 12-month trailing number. Orders and GMV have almost similar growth, for FY25 over FY24, which is 16%. And in Q4, the growth in orders, as well as GMV, is around 14%. This was slightly impacted in Q4. It got slightly impacted because of three reasons: One is we have witnessed some

slowdown, especially in the offline business. The second reason is we have seen truncated winter. We talked about it last time that, there was a late start of winter, and in fact, it ended early. So that is one of the reasons, because of that, the GMV has got moderated. And third one is that we have closed a few company-owned stores in Fiscal 2025. These are the three reasons, because of which GMV growth and order growth got moderated in Q4.

Revenue growth for full year is 15%, and for the Q4 over Q4, it is 12%. Again the moderation is because of the reasons I just explained. However, we continue to improve the EBITDA for the India Multi-Channel business, both on quarter-on-quarter and year-on-year basis. So, FY25 EBITDA, this is adjusted for ESOP cost, it has gone to 9.5% from 8.8% in FY24. And it represents around 24% growth year-on-year. Similarly, if we talk about the Q4 FY25 EBITDA numbers, it is 9.3% compared to 8.9% in Q4 FY24. This represents a 17% year-on-year growth.

Now I will let Abhinav Sharma, who heads our Middle East operations, to take you through the International business slides.

Mr. Abhinav Sharma

Thank you, Gautam, and Hello, everybody, and thanks for joining us on this call, this evening. I'll quickly walk you over the international business, where we started, when we started, and why we started, what's the journey look like so far. As you can see here, a very compelling reason why we initiated or started our business in both geographies in the Middle East, KSA and UAE. As you can see, KSA birth rates are even higher than India and, the spends per child to top that up, is about 8 times higher as compared to India, and about 17 times higher in UAE as compared to India. So, very compelling reasons for us to be present here in both the markets. And, it represents a large market opportunity for us, as well as very favorable demographics. Anish, go to the next

slide, please. So, our journey thus far, we started, first in UAE in October 2019, and subsequently in KSA in August'22. And the basic tenet of our business in both markets internationally, has been replicating a very well-defined and evolving sort of a playbook that India business has created over the last 15 years. And, we are online only right now in UAE and KSA, both the markets we are operating as a pure-play e-commerce player in our vertical. And, the average order values in the international segment is more than 4 times that of India average order value, as of now.

This is a very important slide. This shows you how the gross margin values, or gross margin percentages have evolved, in both the markets, India as well as international, in certain timestamps. In India, as you can see, we started in FY11, and after 7 years, we clocked a GM of 24%. In the international business, we've completed about 4 years now, and we're very similar in terms of the GM percentage. So, the playbook impact that I was talking about in the previous slide, obviously it has a lot of levers. To speak of a few of the levers in terms of margin expansion that has played out in India, that you can see in year 14, a spectacular 36.6% GM percentage are: Increase in share of home brands in the GMV is one lever, share of fashion, which is kids and babies fashion in GMV, better home brand and third-party margins due to economies of scale, and of course, operational efficiencies. Now, these are some of the levers that the India playbooks handed over to us, which are also in play in the international market.

Gautam, over to you.

Mr. Gautam Sharma

Sure, thanks, Abhinav.

So again, similar to the slides we presented for the India Multi-channel business. This represents the growth in AUTC, orders and GMV. AUTC has increased by 14%, Q4 over Q4, however, the growth in orders, slightly got moderated in Q4, and even

full year. So we talked about a few horizontals during our last earning call. We talked about a few horizontals entering the Middle East region and that competitive intensity continues in Q4 as well, and that has impacted, slightly the growth in orders, as well as the growth in overall GMV.

Next slide, please. Moving on to the revenue from operations, it has grown by 14% in FY25 vs FY24. However, the growth in Q4FY25 is little lower. It got moderated because of the reason I just explained, the competition reason. However, the clear focus is on improving the profitability and sustainable growth. You can see from the full year EBITDA numbers, it has come down from minus 19% in FY24, to minus 16% in FY25. While the losses in absolute terms, remain more or less the same, but we strongly believe that, the peak losses now are behind us. And we will continue to reduce the EBITDA burn, both in terms of absolute value and absolute percentage, quarter-on-quarter moving forward.

Over to you Supam, for Globalbees.

Mr. Supam Maheshwari

So, on Globalbees front, I think, this is a little familiar slide. We continue to operate in our four segments: Home, improvement and utilities, Home appliances, Active lifestyle & accessories, and Home and Personal care. As you know, we haven't acquired any business since September'22. So all our growth has been totally organic. Now if you will look at our performance for the full-year 2025 over FY24, it is 30%, going up to INR 1,577 crores. And for the Q4, we grew by 33%, Q4 over Q4. And in terms of adjusted EBITDA, as you can see, we continue to improve adjusted EBITDA. Because this business is three and a half year old, and in fact, first year went around in priming the engine with a lot of category and acquisitions that we did, so really the business is fairly young, for it to be able to result into a more mature EBITDA. But as you can see, we continue to improve our EBITDA year-on-year, quarter on quarter basis. For the full fiscal year, we have demonstrated

1.4% EBITDA over the same period last year, it was 0.2%, and likewise for the quarter, where negative 0.3% has become 0.7% positive. So, these are still early days, company continues to do, and the business segment continues to do very well, both in terms of the growth and expansion of EBITDA is yet to materialize in a meaningful way.

If you look, this is a little more detailed color on the Globalbees. If you look at some of these segments for FY24 and FY25, all of that we have tried to classify into five segments, although we just talked about four segments. So we have our core four segments, which is Home improvement & utilities in darker pink, slightly lesser pink is Home Appliances and very light pink on Home and Personal care, and Active Life and Accessories. These are core brands, and that have continued to expand. Other brands, which we have deliberately slowed down, and we believe, because of certain evolution curve, that have, if you look at even the right-hand side, the adjusted EBITDA from the core brands has been around 7.5%. And from the other brands, it's minus 31%, and the share of these other brands is reducing from 14% in FY24 to 8% in FY25, as a deliberate strategy. So, over time, as the other brand's piece of the business reduces, and we will attempt at making it EBITDA neutral over a period of time, while improving our focus on the core brands, which has a disproportionate growth, high growth, than the overall business growth of 30% year-on-year. So it'll mean a very meaningful outcome, over the next few years, as we move along, the other brands reduces in size, and the Adjusted EBITDA for those reduces in percentage terms as well. Effectively, Globalbees as a business, will deliver a lot more EBITDA in terms of the bottom line, both at a consolidated brand adjusted EBITDA, and we believe we will obviously improvise on our corporate expenses and deliver a superior performance on the overall Globalbees adjusted EBITDA from 1.4% going forward to a much healthier number over a few quarters and years to come. So, I hope this gives you a little



more deeper color on, some of these were asked and questions that you had in the prior calls, so therefore we thought to share this additional piece of information.

I would now request Gautam to talk about the other segments and consol performance.

Mr. Gautam Sharma

So other category largely includes our preschool business. We have a strong growth in preschool partnership across 160 cities now. And you can see the preschool numbers, the number of operational preschools, from 105 in FY23, we have increased this to 208 in FY24, and now we have 363 operational schools. You can see a healthy jump in the number of students enrolled as well. For FY25 it is 18,470 students who have enrolled in our schools.

Revenue continues to improve from INR 33 crore, we have posted a revenue of INR 42 crore for FY25. And the same thing is with EBITDA, we continue to improve our EBITDA, from negative 13% in FY23, we have now reached to EBITDA of 24%.

This is about the consol performance for all business segments put together. We are just refreshing, in this slide, in the form of graphical presentation that Supam has done initially. All four business segments: India multi-channel Business, which is the core, International, Globalbees, and others, all continue to grow their revenue and continue to improve their profitability year on year. From 8.8% to 9.5% in case of India multi-channel business. For a minus 19% to minus 16% in International business. For Globalbees business, 0.2% to 1.4%. And in our preschool business, from 18% to 24% EBITDA in FY25.

As a result, combining these four segments, we get a 18% growth in our consol net revenue for FY25 over FY24, and a 16% growth in our net revenue in Q4 FY25 over Q4 FY24. The

green boxes, in this graph, are the consol gross margins. So you can see those are also continuously improving from 36.7% in Q4 FY24, we have improved this to 37.5%, and from 35.8% in FY24, we have improved this to 37.4% in FY25. Likewise, we continue to improve the adjusted EBITDA as well. Consol EBITDA from 5.0% to 5.2%, Q4 over Q4, and from 4.2% to 5.1%, in FY25 over FY24.

This ends our presentation.

Mr. Supam Maheshwari Happy to now take questions.

Mr. Anish Arora Thank you, team. We can wait for a minute for the queue to get formed, and then we can start with the Q&A.

I request participants to raise the hands for asking questions. We will unmute you one by one, and you will have the access to the mic. Please introduce yourself and the name of the organization you represent. The participants are also requested to limit their questions to a maximum 2. For any follow-up questions, you may join the queue again. First question is from Videesha. Videesha, please unmute yourself.

Ms. Videesha Sheth Hello. I hope I'm audible.

Mr. Supam Maheshwari Yes, Videesha, it is audible

Ms. Videesha Sheth Hi. This is Videesha Sheth from Ambit Capital. Thank you for the opportunity and really appreciate the granular data points.

My first question was if you can explain the gap between AUTC and the order growth that we've seen in both International and India businesses. You've talked about the reasons for subdued order growth, but going forward, what can be done to narrow the gap, and when do you expect the

order growth to be in line with the AUTC trajectory? That was my first question

Mr. Supam Maheshwari Okay. So if you talk about AUTC growth with respect to the order growth, right? I mean, that's what your question is?

Ms. Videesha Sheth Yes.

Mr. Supam Maheshwari If you look at India, the delta is not that big if you look at the full year picture. Videesha, you will have to put it on mute, I think there was some disturbance. Yeah.

So, if you look at the full year picture, you will not see any delta. What you're seeing as the delta is largely coming from certain slowdown that we experienced in our offline store network. Lesser footfalls, leading to lesser orders, is what we experienced, especially in January and February, which obviously got corrected in March with the season change. If you look at our online, while the slowdown has an impact on the customers coming back and ordering while the AUTC is registered once, it gets registered. Also, if you look at the online growth, online GMV growth for the year, FY24 over 23, or FY25 over 24, it remains 18%. And if you even look for Q4 online growth, it is close to around 16%. So, which we feel is a fairly good number, in terms of the pure, sort of online segment.

Mr. Gautam Sharma Just to add, Videesha. There is no major difference between the AUTC growth and the growth in number of orders in the India multi-channel business. However, the difference in the International business is because, as I mentioned earlier, we have seen a few competitors entering the market in Q3. So that has led to a difference between the AUTC growth and the growth in the order. So while customers are coming in, but the frequency of those customer transacting, they may be doing some transaction on other sites because of higher discounts. So that's the reason, there is a big difference

between AUTC growth in the international business and the growth in the number of orders. India multichannel business is more or less in line.

Ms. Videesha Sheth

That is helpful. And the second question was on the marketing spends. The ad spends look pretty elevated, so if you could elaborate on how should one think about it going forward?

Mr. Supam Maheshwari

So, if you look at our consol business, I mean, we share our total overall ad spends. Globalbees as a business has a higher percentage of marketing cost, compared to all the rest of the three business segments. So the share of that segment has increased, therefore, you actually see an increase in the overall marketing spend. But we have ensured that we have a much superior expansion in the gross margin as a business overall, so that we can retain and keep expanding our Adjusted EBITDA appropriately. So that way, we have balanced our growth with profitability while, managing these two expectations. So one is more of a weighted average, numerical sort of a modeling, and second is, we've ensured while we do that, we continue to expand gross margin to be able to pull it down towards, increase in EBITDA as well.

Mr. Anish Arora

Thank you, Videesha. Next question is from Sachin Dixit. Sachin, please unmute yourself.

Mr. Sachin Dixit

Hi, Hope you can hear me. Hi, Supam Gautam and broader team. Thank you so much for the improved disclosures. My first question is at a slightly higher level. If you look at your businesses, obviously multiple businesses, segments and a lot of moving parts, what do you feel a lot more satisfied about sitting at the fiscal year close versus where do you think there's a substantial effort, that you need to still put in?

Mr. Supam Maheshwari

Sorry, I'm not even clear with your question. Is there a question?

Mr. Sachin Dixit

So Supam, my question is, if you look at your business performance, right, obviously you cannot be happy about everything. So there might be pieces where you can tell me, okay, Sachin, I'm very happy about this, this, this, and this, and this is where probably we need to do a lot more work going forward. So that's the question, largely.

Mr. Supam Maheshwari

Look, we would be, as a professional or as a team leader, our job is to remain hungry. I think we feel that we should have delivered more, both in India multi-channel and even in International. Rest other two segments have done well. We would want to expand our Gross margin, our EBITDA margins faster in Globalbees. School business is small, and although it's doing well. I think both India multi-channel, especially in offline, we would like to see, better performance, and I also would color it with the way that the opportunity fundamentally remains solid. There is a large untapped market, largely unorganized. We are the largest organized player. We are a true omni-channel or a multi-channel player, with 1,000+ stores and a large amount of business coming online. None of our competitors are like us, so we believe that the opportunity will be with us, as it unfolds. But yes, could we have done in FY25 more? We were doing fairly well, and we believe our online has done quite well. We could have delivered more in offline, in India multi-channel. We have become more cautious in terms of capital efficiency and we will remain that way. But we believe in the longer run and medium term, we should be able to pull back overall, as consumer slowdown improves, with some of the efforts by the government and some of our internal efforts, that we have at our sleeves that we will unfold, to be able to extract more growth, both at India multi-channel.

And in Middle East, I think our focus will remain very profitable growth. We believe that while we had expected a little superior growth, but there's no point in getting that growth at a higher cost or a higher burn. We rather believe

that the way we have played out our story in India, when some of these horizontals were there, especially in times like 2013 to 2017, when we played out, our similar moats are getting built up, in a similar way in terms of gross margin expansion, which Abhinav talked about. What we delivered in 7 years in India, we have delivered in 4 years in International business. So, I think once our home brands get acknowledged, and get penetrated in those markets, we will continue to see superior adoption curve, and, improvement in cohorts, improvement in quality of customers that we will onboard, and so on and so forth. Some of these metrics will improve, and the long-term journey is going to remain with us. The way we have charted out. In short-term, we might feel a little unhappy about the growth that we are demonstrating because of some external reasons. So those are the two large points that I will cover. Rest, I think, everything how we have anticipated is playing out, in the way that the moats are structured, they're very fundamental and that'll continue to compound for next 10 years, or 20 years.

Mr. Sachin Dixit

Fair enough, that's very, very helpful, Supam.

My second question is on the franchisee network side. Obviously, we have not seen any growth in the number of stores in the last six odd quarters. So, what is happening there? Is it you not proactively wanting more franchisee partners? Or franchisee partners probably shutting down because there's COCO store which is much larger that they can't compete with? What is happening there?

Mr. Supam Maheshwari

So, Sachin, our position hasn't changed as what we talked about in our last couple of quarterly calls. We are very sensitive about the fact that we want to continue to grow our franchisee partnership. We have had strong partnership for almost 13 years plus, with many of our franchisee partners as old as 10 years plus in the system, some of them, even have multiple stores. So that remains very, very strong. And they have seen our journey for a long period of time, and they

continue to remain with us as long-term partners. So nothing has changed. Many of our franchisee partners are also partners for other retail brands in the country. And they have seen a material sort of a slowdown, so that's how, they've also become very cautious, and we have also become super cautious because we just don't want any larger store churn, although some of this is a very controlled. So, the criteria for us to select a partner has become taller and taller over time. In terms of controlling the churn, and in terms of superior customer experience that we can give to the end customer. Those are the reasons, while there has been gross additions, while there has been a churn, which is in late single digit and therefore, the net number remains what you are referring to. So I think over time, we have been adding stores, but because addition is lesser, because of the quality of the partners. And obviously in COCO, we have a far greater control and it's relatively easier, to have control, in terms of say that we have. And when the location is available, we can actually close and move on. But no change fundamentally. We continue to adapt more and more partners as we grow our business. In offline, both for the franchisee partners as well as the COCO. Yes, in last couple of quarters, you may have seen that, but fundamentally, there is no change.

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| Mr. Sachin Dixit | Makes sense, Supam. Thanks so much, and All the Best for FY26. |
| Mr. Supam Maheshwari | Thank you, Sachin |
| Mr. Anish Arora | Thank you, Sachin. Next question is from Percy. Percy, please unmute yourself. |
| Mr. Percy Panthaki | Hi, Am I audible? |
| Mr. Supam Maheshwari | Yes, Percy |
| Mr. Percy Panthaki | Yeah, So I just wanted to understand on your margins front. |

Like, for the India business, what do you think is the stable state margin of this business once we get enough scale? We are at around 9.5%. So, where do you think we max out? Is it 12, 13 or 15? What do you think is that number? And what will drive it? Because if we are already at 55% private label, how much more can we push that? Because beyond a point, we are a retailer, and we want to give the customer as much choice as possible. So, if the entire platform becomes predominantly just a private label, then the customer experience will also be affected. So, assuming that this 55 goes to a max of 65, and that gives you some margin, but what else will result in the margin expansion? Because, see now our scale is not small, we are close to INR 5,500 crore kind of a top-line company for India itself. So, yeah, that was my first question, really.

Mr. Supam Maheshwari

Sure, Percy. Percy, first of all, I would like to draw your attention to the fact that, while we are at a 55%, and if you look at the slide that Vivek took you through, we have compounded, on an average 50% higher than our overall India multi-channel growth for our home brands. And that is the reason why we increased from 37% to 55% plus in last four to five years. Having said this, the journey hasn't stopped, the growth hasn't stopped of over-compounding in our home brands. So we believe that we will continue, and the reason is very, very fundamental. There are no big brands. In let's say, the largest category of Babies and Kids is a Apparel and fashion, you tell me a brand, which is in Mothers, Baby, and Kids in fashion, which will be lets say INR 400 crores plus. You won't be able to find a large brand out there, or multiple of them. Most of these brands, either have withered away, or have become very small. There are many of them which are INR 100 to 300 crores, or INR 100 to 200 crores range. And then there is a range of hundreds and thousands of them, which are mompreneurs and brands which are beautifully crafted by mompreneurs. They serve a very specific design, aspiration or quality aspiration or curation. And we will



continue to hold them beautifully in our portfolio to be able to solve for mothers who are trying to solve for a specific curation need. So, we believe that this partnership of holding them, while we will continue to grow as a platform, we will remain relevant to most of our brand partners, 8,000 of them. But at the same time, we will be able to continue to compound, because at scale, we can only do it. Building reliable supply chain, building reliable product, quality product, at scale and at different set of price points, that we will be able to bring. So, with that architecture, we are playing at a different price point, quality and supply chain, and at a scale, it's very hard for a small brand or sub-optimal-sized brand. That's not their aspiration.

So, therefore, the blend of these mompreneurs or these brands, along with us, will continue and we will continue to compound much superior as we have done in the past, we will continue to perform that. So, we believe, without putting a number, whether it's 65 or more, we will continue to expand our share of home brands and we believe that we aspire, as we have shared in our earlier calls as well. We aspire, as in India multi-channel, to be at least, late teens, as an adjusted EBITDA. That is what we aspire to do, and we believe it is possible to deliver. The companies that we personally aspire and our management team aspire to be is Page Industries, where we can get there. Now, whether we take 4 years, 6 years, 7 years, is that something that we can deliberate, how the opportunity presents to us. But we will not leave any stone unturned in terms of grabbing improvement of margin both at a gross margin level, as well as at a marketing efficiency level. Marketing efficiency is very unique to us. As you can see, the multi-channel model that we have, it's very unique. And then also, obviously our operating leverage, that we can get on a fixed cost. Because we'll not be expanding on our warehousing and so on and so forth. So, all of these will compound, as you will see, which we will deliver. We have been with you guys publicly at least for a couple of quarters,

but you'll continue to see us expanding gross margin as well as EBITDA for a very, very significant longer period of time, till the time we believe that we have achieved our aspirational goal.

Mr. Percy Panthaki

Sure, Supam. My second question is on the right to win for verticals versus horizontals.

So supposing, if I just take the example of Nykaa. The two differentiations that I can see for Nykaa versus a horizontal is that there is a big threat of fix and counterfeits on horizontal platforms. And because Nykaa holds inventory and is not a marketplace and vouches for the products, that is one of the reasons why people buy on that. And the second reason is that, this is a category which has huge number of SKUs, there is a huge long tail, many of them are not available on horizontals, and that is why people go there.

So if I have to find reasons why people need to go to FirstCry versus other horizontals, what would be the reasons in your case?

Mr. Supam Maheshwari

So, look, I think we are very different than some of other names that you just mentioned. First of all, our biggest differentiation is that, as we see, 55% of our GMV comes from our own home brand itself. They are not available on any other marketplace, fundamentally. So the end consumer, which is primarily the mother and young fathers, they are coming to FirstCry for two fundamental reasons. One, we're an MBO, which is solving for every curated need for a brand, for a product type, product size, in a much more curated way. That is what we are solving for. We are a very, very highly curated platform, and Vivek took you through some of the personalization at age level, at a category level, at climatic condition level. Some of those areas, when you club it with the age, it actually makes a world of a difference. And we are more of a discovery platform than a search-led platform. So if

you apply all of that, with our share of a home brand and the curation of other mompreneurs, with fashion being the largest sort of segment for us, it presents a very different outcome from a young mother or a father to be with us, compared to a horizontal. And as a matter of fact, BabyHug, just one of our home brand is India's largest Mother's, Baby, and Kids product brand in the country on GMV itself. What are the other moms buying on horizontals? BabyHug is not available fundamentally. So, there are two reasons why they will come to us, is simply, it's MBO on multi-channel. Sorry, on online, just, I'm talking about online because horizontals are only online. So, as a curation, for solving every need. And then, second is repeat cohort of our buying of our home brand itself, because the products are superior in terms of quality, experience, they have done it over years, and they just want to, for lack of brands, known brands that they want to repeat and they are satisfied. So, with these two reasons, they will continue to come back to us. And that is exactly what we have seen even in 6-12. When our journeys are ending for mothers from 0 to 6, because BabyHug is available, now it's PineKids, which is taking the journey and legacy of BabyHug to PineKids for the older age kid. So, the power of a superior product itself, apart from convenience of online and curation that we have built through personalization, is driving more and more consumers and stickiness of those consumers, as you have seen in the cohort, which Vivek also took you through, is a result of all of these work that we have been able to deliver.

Mr. Percy Panthaki

And may I be permitted. Sorry, yeah, please continue.

Mr. Vivek Goel

If I may add one statement to this. So, all the horizontals actually are a reflection of the market, which is highly unorganized. So, that is where, both in terms of home brands and the other brands as well, third-party brands as well, our curation ensures a superior selection, as well as experience for the consumer, and that is what, Supam was mentioning, increases our stickiness and strength for the organization.

Mr. Percy Panthaki

Got it, got it.

If I might be permitted, one small question more, on the India business growth. This year has been around 15%, which is a little lower than our expectation of around 17% to 18%. So, do you think this is a blip, or an anomaly, and you will come back to a 17-18% kind of number, or do you think that what we have displayed this year is more likely to be the sustainable growth going ahead?

Mr. Supam Maheshwari

So Percy, while you know, in the short run, it's very difficult to sort of outline exact data point. But what we collectively think that, the industry which is growing at 12% to 14%, highly unorganized. And this particular year, or rather this calendar year, starting from January, February, we saw a little bit of a consumer slowdown. And especially in the offline, so we believe that it is not a reflection of a medium-term approach of the overall growth that the industry will demonstrate. And being the largest player in the industry, we should be able to come back to a much superior growth. If you look at our online, even Q4 resulted in 16% GMV growth, quarter-on-quarter, Q4 over Q4, I mean FY25 over FY24. But just the offline piece, we believe, I think it's just a blip, and even the government is doing its bit in terms of reducing some tax labs and some of the other areas where government help will also reflect in some of the more consumer pickup. Plus some of our other efforts internally that we are putting up, maybe we can talk about, but those are also going to fill up, getting more and more customers and improving retention or improving frequency. So, we believe it is just a temporary blip, is what we believe, because we remain steady and strong as far as a ship in terms of grabbing more growth over a medium to long run.

Mr. Gautam Sharma

And important thing, Percy, is that we are not losing our growth to any competitors or any new player. So we'll

continue to do better than the industry growth. While we have seen some slowdown, but we'll continue to deliver a better growth, compared to the industry growth.

Mr. Percy Panthaki

Thanks, Gautam, Supam, Vivek. Thank you very much. That's all from my side.

Mr. Supam Maheshwari

Thanks, Percy

Mr. Anish Arora

Thank you, Percy. Next question is from Sachin Salgaonkar. Sachin, please unmute yourself.

Mr. Sachin Salgaonkar

Thanks, Anish. Hi, management. Thank you so much for the improved disclosure. Two questions from me.

First question is on International business. Clearly, the business is in nascent stages, but we are seeing an order growth of 8% on a YoY basis. And you guys clarified it's largely on the back of competition. So the question here is, is it only competition, or is it something else which is impacting the growth? And the reason is, see, the players which we are talking about, like Temu and others, are here to stay in the market, perhaps for a long time. And what we are seeing in other markets is, they tend to get aggressive over a period of time. So I was wondering if there is any change in strategy from management to accelerate the growth out here, given the fact that the growth is slowing for the last couple of quarters?

Mr. Supam Maheshwari

Sure, Sachin. I'll just maybe start the answer, and maybe, Abhinav can add to it, or Gautam can add. So, look, I think it was important for us, while this is some external factor that really played out. As I earlier also alluded, we have seen this in the past in India as well, when some of the marketplaces are very, very aggressive, but they became saner over time. That same thing will play out in Middle East geography as well. It is important that we keep our head down and build the

moat that we started our journey with, because that is what will help us, not just discounts or higher marketing burn or higher CPMs. So that doesn't help, except for, increasing your burn. It was easy for us, we had the money, we can do all of that, but we don't believe in that. It is better to improve the quality of the customers, improve penetration of the home brands, improve assortment of the home brands that we have in India, taking there, tailored home brands for the Middle East market as well, so we just want to focus on building those assortments, because it takes time to build those assortments and get the penetration of those assortments into the market. Get our product mix, the category mix, our home brand mix to a level that what India has already accomplished, in an accelerated way. Because once you deliver that, none of the horizontals will ever be able to sort of, they don't operate in that fashion. So, therefore, we will be having a very superior economics over a period of time, so we don't want to play a rushed game. We want to play a very steady game, to ensure that we build a sustainable, profitable growth, keeping a focus on reducing burn and making our Middle East operations profitable, as per our internal plan and within a few years, we want to make it profitable, a neutral EBITDA. That is what we want to focus more on through our own strengths, rather than actually, burning more sort of tyre. That's how we are tracking ourselves internally. Not a rushed approach, but, I mean, if you want to add anything, or Gautam, if you want to add anything here?

Mr. Gautam Sharma

So, in fact, as Supam mentioned earlier, Sachin, we have witnessed, the competition from horizontals in India as well during 2013 to 2016. We stuck to our playbook on building home brands, improving margins, and today, we can proudly say that, we are the largest multi-channel player in India in terms of GMV and the largest brand is our Home brand, which is BabyHug. And we have taken the same playbook in Middle East as well. So, we will be focused more on improving the customer stickiness, as we have done in India. And you can

see the impact of the strength of the playbook in the margins. What we have delivered in India in 7 years, in terms of gross margin, we have delivered that in Middle East in 4 years.

Abhinav, if you want to add anything?

Mr. Abhinav Sharma

I think, you guys have covered it completely.

Mr. Sachin Salgaonkar

Great. Thank you. My second question is on GlobalBees. Clearly a very phenomenal growth in a quarter, given the context that there's a consumption slowdown going into India and what we are seeing on the ground with multiple D2C brands, given the fact that consumer preferences are changing so fast, now with, how quick commerce is evolving. Not many brands are sort of scaling up beyond a particular level, so the question to you guys is out there is, should this be a steady-state growth going ahead in terms of, let's say, 25 to 30%? Or how could one think about, a sort of a normalized growth in this business? And the same is in terms of long-term steady-state margins for Globalbees, how to think about that?

Ms. Supam Maheshwari

Going forward, I think, obviously the growth has to moderate. It won't remain at a 30% level. But yeah, it'll remain, meaningfully high, as you go along for at least next few years to come. And we are a young company. We have, some great brands and great sort of founders that are working with us and they are hungry. And all of us are working together to grow, some of these brands. And as I said, in their journey itself, they're fairly young. So they will have a very decent growth and even profitability margin as well. The slide that we talked about, the 8% of our business, which was 14% earlier, leads to a 30%, negative EBITDA. Once you shrink that, meaningfully low in terms of 8% becoming even smaller and 30% reducing to zero, you can imagine our business will be even more profitable at a current stage itself. I mean, even if you don't increase you know, the gross margin or the

operating leverage within the rest of the brands, which is 92%, of the business.

So, essentially, we are clearly saying that Globalbees business, over a period of time will improve Adjusted EBITDA, no questions on that. It will play out over a 3 to 5 year journey. It's hardly a less than four-year-old company. First year went out with a lot of acquisitions, as you know. It's not easy, but I just want to make sure that the business is done, segment has done very well, and we continue to believe that we will deliver stronger performance, both in top line and bottom line, for many years to come, because we believe the story is getting there. We have the playbook that we have executed well and it's getting stronger and stronger.

Mr. Gautam Sharma

And just to add, Sachin. So while, the consol growth of Globalbees is 30%, but if you see the growth in the core brands, the four core segments, the growth is disproportionately higher.

Mr. Sachin Salgaonkar

Got it. Thank you, guys.

Ms. Anish Arora

Thank you, Sachin. Next question is from Garima. Garima, please unmute yourself.

Ms. Garima Mishra

Thank you so much for the opportunity. I also had a couple of questions on Globalbees. What was the loss Globalbees made in FY25, and this CCPS infusion is essentially, to keep funding losses for the next 2-3 years? Or you have some acquisitions in mind, how should we read it?

Mr. Gautam Sharma

At EBITDA level, Garima, Globalbees is positive. It has given us a positive EBITDA of INR 22 crore. The other thing post EBITDA, the large part of the spend, is a non-cash expenditure, which is in the form of amortization of brands, which is roughly INR 100 crore every year. And some finance costs, towards the borrowings made by Globalbees and their

subsidiaries. Other than this, if we adjust these two items, we will reach to a PBT level in Globalbees. One important thing I would like to mention is, if you see the consol results, there is an exceptional item that we have taken roughly amounting to INR 37 crore. Those are towards the impairment of some brands in Globalbees. So you will see that additional one-time expenses impact on Globalbees, as an exceptional item. Other than that, business is doing very well. Brand amortization is the classification of investment done by Globalbees in the consol financial statements, so we have to amortize it over a period, so that's a non-cash expense. And once the company starts generating higher cash profits, the number should become better, Garima.

Ms. Garima Mishra

So the CCPS is towards what?

Mr. Gautam Sharma

This is largely for taking care of their working capital requirement, Garima

Ms. Garima Mishra

Alright, understood. Globalbees also recently had departure of the CEO, plus some board of directors resigning. What was that about? And who takes over the reins of this entity going forward?

Mr. Supam Maheshwari

So, Garima, I think some of these news article, I would like to clarify. First of all, Nitin, who was the CEO of the company, left for the personal reasons. His role has been taken over by Anuj Jain, who has almost 10+ years of experience with ITC and L'Oreal. He is a thorough professional, MBA, and some of these are public information, but, sharing it, that he was with ITC and L'Oreal before he joined FirstCry. He has been with FirstCry for 12 years. So he has seen a 20 year+ consumer product journey, a playbook across ITC, L'Oreal, and FirstCry. And he steered up the ship in India in multi-channel and BabyHug as well. So he has seen D2C, online, offline, throughout our journey of FirstCry and also, he was handling our school business. And we felt that he would be the most

appropriate, and he has now taken the reins of the Globalbees. So that's on Anuj.

About the directors, so I would just like to clarify, look, the news article said that three directors resigned after Nitin resigned. That's not correct. One director resigned 9 months prior to Nitin. And see, these are investor directors, Garima. And typically, investor directors, and by investors, I mean, PE VC funds, typically investors have an internal policy. While I can't speak for any one of them on their behalf, but what I'm saying at a generic level, they have a typical policy of not being part of a board of a publicly listed or deemed publicly listed company. Therefore, the request was to not being part as a board member. And while one of them resigned 9 months prior to Nitin, which was, like, early September or August, somewhere around that, but the news article, you know how it was. So please ignore that. And one of the investor directors remains as an observer as well, so it's not that they have completely moved away.

Mr. Gautam Sharma

And just to give you additional comfort, Garima. A few of these investors, who used to represent on the board of Globalbees, they have participated along with us, in the recent funding we have done for Globalbees.

Mr. Supam Maheshwari

Not few, all of them. All three of them. All of them have invested in the last round. So there's not even a single exception.

Ms. Anish Arora

Thank you Garima. The next question is from Madhav Yadav. Please introduce yourself and unmute.

Mr. Tejas Shah

Hello, am I audible?

Mr. Supam Maheshwari

Yes, Madhav. We can hear you.

Mr. Tejas Shah

Yeah, Hi Supam. Hi, Gautam. This is Tejas Shah from Avendus.

So with the faster delivery becoming a baseline expectation across the ecosystem, including for the traditional online players, what steps are we taking to strengthen our delivery proposition?

Mr. Supam Maheshwari I heard the second part of your question, but not first. Delivery becoming a base...., I didn't understand you. Meaning delivery experience, or?

Mr. Tejas Shah Yes, I'll repeat it. So, am I audible?

Mr. Supam Maheshwari Yeah. You're absolutely audible.

Mr. Tejas Shah So, yeah, so, no, I was just saying that now, faster delivery has become a very hygiene baseline expectation. So yeah.

Mr. Supam Maheshwari Understood, fair question. So, look, you're absolutely right. So, what we are doing, Tejas there, while, we haven't put a slide on it, but, what we are doing, I'll also sort of share that. I think some of the companies like us, and online companies, or e-commerce companies as well have experienced, a little bit of a customer experience being not up to the mark that we would have wished as operators, because some of our delivery partners have had challenges. And those are because of the manpower constraints on the last mile end, for which we are dependent on them. So for those, and I'm talking about India multi-channel, and India Online in that sense. So those are experiences, that we have faced in the last two, three months, a lot more than what we have faced in the past. And I think some of other colleagues from the overall ecosystem have alluded to some of these commentary as well. Having said this, what we are doing, to answer to your question as well. While we are improving, in some of the cities, we have done some experiments to take our tech infra and work with local logistics partners within those cities to be able to improve the last mile experience as well as improved

and a faster delivery. So, let's say, in a city, we were delivering same-day delivery, in 6 hours, so our attempt is now to reduce it to 4 hours, or a 3-hour. So that is the experiment that we have taken into a few cities, as of today, in last couple of months. And our endeavor will be to continue to expand on this journey that we are just talking about, into many more cities, so that we do not remain dependent, or we do not really have to work at an industry average level, which has deteriorated in the past couple of months, and still we will be able to improve the quality of the customer experience in terms of delivery performance. So we'll expand on our experiment that we have just in a couple of cities to be able to overall improve and at the same cost. Not just increasing the cost. So I hope I've been able to answer your question in terms of directionally, that what we are doing to improve the delivery experience, faster delivery experience for our customers.

Mr. Tejas Shah

Yeah Supam, very clear. Thanks

Supam, second question pertains to private label ambition that you spoke about. Now, what we have observed that it's a double-edged sword from multiple dimensions, from working capital, from customer expectations. Whether they are ready for it or not. So when you look at our categories today, where are we under-indexed, you think materially in private label versus, company average? And I'm assuming that our private label contribution will be higher on offline channel versus online channel. So, how should one think about from near-term, very immediate one-or two-year perspective, how this can move in terms of low lever of private label.

Mr. Supam Maheshwari

Only two points that I will make. First of all, I would request everyone to call it Home Brands. We just feel private label is just about margin, and not about the love and how we have built all of these products, so we certainly call it home brands. But in the home brand point, I would say that it's not like a

double-edged sword, because our long-standing partners, brand partners, will continue to grow with us. It's not that they are not growing with us and it's not that we will not have more partners that we will take in our partnership. As you see, our disclosures on number of partnerships from 7,000 brands to now we are at 8,000 brands. So, our number of brand partnerships have continued to increase. But having said this, many of our brand partners are small, and they will, for whatever, historical or evolution curve reasons, they will remain, while we will continue to over-compound on our growth journey in terms of home brand, because it is a very structured playbook, structured homework that we do from a design, till manufacturing and capability and all of that. So, therefore, we will remain, I would say powerful enough, to continue to embrace our other partners as well, and the ecosystem will continue to deliver a superior, homegrown, home brand share, while at the same time embracing both brand partners and expectation of our end consumers and mothers who want to solve for unique attributed products as well, while Home Brand solves for some of them. So, I don't think that would be a challenge, and that hasn't been a challenge even in the past, when we traversed our journey from 37% to 55% plus. So we don't believe that it'll be the case, unless you were not being able to have brands which are not growing with us.

And in terms of gross margin expansion, home brands definitely give more sort of margins, and therefore, that'll continue to happen for us, in terms of margin expansion. So, it will not be the case and we will see our journey together for over next few quarters and years. We won't be able to talk about a short-term, but I think over a longer period of time, there are no big brands that really kind of like are after BabyHug, after some of these brands, no brand is like, in a very, even if I just remove India's Pampers and Johnsons and some of these brands. In fashion, not even a mid-single-digit percentage, in terms of the share. So, it's very comforting for

us to embrace all of that, and the best attributes that they make still embrace with us while we continue to compound on our Home Brand strategy.

Mr. Vivek Goel

So, Supam, if I may add one point on this. Because you mentioned that we should not call private label, but we should call our brands as home brands. So, one of the core fundamental in developing products in home brands is not to capture, share in any under-penetrated category. The fundamental premise why we create any product is to give a superior experience to the end consumer and that is a very important factor for the over period of time, how we have grown our brands. And we continue to follow that philosophy as a company.

Mr. Tejas Shah

Thanks, thanks, Vivek. Thanks Supam, very clear. And all the best for coming quarters.

Mr. Anish Arora

Thank you, Tejas.

Next question is from Nigel. Nigel, please unmute yourself.

Mr. Nigel Mascarenhas

Good evening, sir. Thank you for the opportunity.

Firstly, can you talk about the unit economics for various types of offline stores, in terms of store sizes, capex, revenue, and profitability? For the FirstCry stores vs BabyHug stores? And how does it work for owned versus franchisee stores as well?

Mr. Supam Maheshwari

Okay, I think, it's there in some of our previous quarterly calls, but Gautam, we want to repeat at a high level, maybe.

Mr. Gautam Sharma

So the size of the store, if I talk about, the FirstCry franchisee stores, are typically 1,500 to 1,600 square feet area. The same size we follow for our BabyHug company owned stores. However, when it comes to FirstCry company-owned stores, those are a little larger, probably 2,000 to 2,500 square feet. In terms of capex that we do, the capex per square feet is

around INR 1,500 per square feet and a little lesser than the capex is the working capital that we put in each company owned stores. So roughly, INR 1,100 rupees per square foot is the working capital we put in. In terms of profitability, at CM-2 level, if we talk about, both offline stores as well as online, gives us almost a similar profitability, post-marketing spends, if we see.

Mr. Supam Maheshwari

And even, in CM-2 offline stores will be post-rent. And some of these franchisee partners, Nigel, we have had a large number of our franchisee partners have been 7, 8 years plus, and many of them are 10 years plus and they have multiple shops with us. So they have seen the profitability in their stores, over years, with us and they have continued to stay and have been a long-standing partner with us. And likewise, we have tried to look for such partners who can be a long-term partners. On that basis only, we started our COCO journey around in 2021. And because of having run the FOFO business for the first 10 years. So that's how the profitability was ensured in the FOFO network, both for the franchisee and for the company and therefore, we took that journey ahead, for the COCO journey as well.

Mr. Nigel Mascarenhas

Yeah, Thanks for the detailed reply.

Second question is, for the India business, what sort of growth have you had in the India online business versus the offline business?

Mr. Supam Maheshwari

Yeah, it's there in the disclosures, further in the presentation. For the online business, Nigel, we had 18% GMV growth for FY25 over FY24, even for Q4FY25, we had 16% growth over Q4FY24, for the online. But for the offline business, annual one, I wouldn't exactly remember. I think it is around 11 or 12%?

- Mr. Gautam Sharma** Yeah, slightly lower. And that is largely because of the slowdown we have witnessed, especially in the offline business.
- Mr. Supam Maheshwari** Plus some store closures that we have now in the base effect of the previous year, quarter.
- Mr. Anish Arora** Thank you, Nigel. In the interest of time, we'll take one last question from Chintan. Chintan, please unmute yourself.
- Mr. Chintan Shah** Hi. So I just had one question, and that is on India offline business. So, I understood the external issues that we faced, as well as some store closures that impacted the performance, but as a slightly medium to long term as a strategy, what are we doing, or what steps we are taking to have more conversions from unorganized to organize, as well as to protect ourselves from the competitive intensity that keeps on increasing? That is one.
- And second, how do you think in medium to long term, this online is, say, 78% of GMV, and it's doing pretty well. So, over longer term, how do you think offline as a strategy, where does this next head to? And what were the plans for expansion in this segment? That's it from my side.
- Mr. Supam Maheshwari** Sure, Chintan. So, fundamentally, if you look at our business, mothers love to buy the product both online and offline. If you remember one of the slides that Vivek showed. This is the first time that we had done this disclosure, in the top 20 cities, 38% of our GMV comes from customers which have an overlap of online and offline, and we have been saying this. We're a very unique category, where consumers or mothers typically love to buy products both online as well as offline. They can start their journey online and go offline as well, in the vicinity of their homes and the other way as well, which is going offline and come for convenience in the online, because they build a



trust with the platform, as well as with the product and the brand, or the curation that we have.

So, I think, fundamentally, nothing will change. If you look at last 3 years of our journey, our ratio between online and offline has not materially changed, maybe 100 to 200 bps here and there, in terms of the share. So no material change has happened. And we will continue to expand our offline operation as well, in terms of the gross block that we will add in FY26, we will be somewhere similar to FY25. So, we do not feel that. We will have a lot of legroom to play, even to expand our offline network. But we have become more cautious, for last few months, that we have seen and we believe these are temporary. Ultimately, the customer that we get, how we look at our offline business, particularly, is a footfall that gets the customer into our store, gets the experience of our platform, also then goes online, so it has a material network effect and advantage, both in terms of the experience and the CAC, eventually, even for online and so on and so forth.

So it's a very unique proposition of multi-channel, which you would not find in a very traditional or a normal business model in a retail model. So we believe that we will continue to play from a consumer insight, or a mother's insight of buying both, and also the unit economics benefit that we'll continue to derive from being both present online and offline. So we'll continue to play this card for a very long period of time. We may tailor here and there in terms of improving the wallet share of the customer in that catchment and the footfall optimization that we can continue to do. So those are efficiencies that we'll try to drive to build more capital efficiency, but strategy-wise, nothing will change. We'll continue to compound on both our offline, which will also deliver online, and online will deliver offline as well.

Mr. Anish Arora

Thank you, all the participants. That was the last question. Now back to Supam, Gautam, and everyone for the concluding remarks.

Mr. Supam Maheshwari

Thank you very much, everyone, for being patient. We had, instead of reserving one hour, we reserved one and a half hours, so that you can have a lot more detailed conversation. But really appreciate your time and patience. Look forward to seeing you in the next quarter. Thank you.

Mr. Gautam Sharma

Thank you so much, everyone.

Mr. Vivek Goel

Thank you so much